

## NEW APPLICATION

## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS - Chairman  
BOYD DUNN  
SANDRA D. KENNEDY  
JUSTIN OLSON  
LEA MÁRQUEZ PETERSON

In the matter of:

FOREX &amp; BITCOIN TRADER,

Respondent.

DOCKET NO. S-21085A-19-0271

**TEMPORARY ORDER TO CEASE AND  
DESIST AND NOTICE OF  
OPPORTUNITY FOR HEARING**

**NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY****RESPONDENT HAS 20 DAYS TO REQUEST A HEARING****RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondent Forex & Bitcoin Trader is engaging in or is about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act") and that the public welfare requires immediate action.

**I.****JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

**II.****RESPONDENT**

2. Forex & Bitcoin Trader ("F&B" or "Respondent") is an unincorporated entity that is not registered as an entity in Arizona.





1 informing her that her application has been approved and stating that she had 24 hours to send an  
2 initial investment of \$1,000 by Venmo. The email signature block was for "Paul Tam Sing (Account  
3 Manager)" with the New York address and the telephone number with the 732-area code.

4 9. Subsequent emails and texts from F&B over the next three weeks repeatedly asked  
5 the Arizona resident to invest and provided a PayPal account to invest in. F&B also asked the Arizona  
6 resident if she had visited their website for information and explained that in exchange for her  
7 investment the Arizona resident would receive a "link user and password to track the progress."

8 10. On October 25, 2019, a second Arizona resident contacted F&B by text using F&B's  
9 phone number with a 732 area code. This Arizona resident asked for more information on bitcoin  
10 investments. F&B responded by confirming that they have bitcoin investments and directed the  
11 person to the Website. This Arizona resident visited the Website and reviewed the materials on it.  
12 The Website's content was unchanged from the content in September except that F&B now listed  
13 the UK address as described in paragraph 4 above.

14 11. On its Website, F&B includes the following FAQ:

15 Is F&B licensed as a broker?

16 Yes. F&B is authorized for trading in financial and commodity-  
17 based derivatives and other securities, including foreign exchange.

18 12. F&B is not, however, licensed as a dealer or salesman in Arizona; it is not registered  
19 or licensed as a dealer, broker, salesman, investment adviser, or investment adviser representative in  
20 any state or by the Financial Industry Regulatory Authority, an independent regulator of securities  
21 firms doing business in the United States. Additionally, F&B is not a member of the NFA, the self-  
22 regulatory organization for the U.S. derivatives industry.

23 13. In its Craigslist ad, on the Website, and in the ad emailed to an Arizona resident, F&B  
24 repeatedly claims that returns on the investment are guaranteed. Nowhere on its Website or in  
25 correspondence with the Arizona residents does F&B disclose any risks of investing in bitcoin,  
26 crypto currencies or foreign currencies.



b) Representing that an investment with F&B is guaranteed to produce large returns without disclosing any risks of investing in crypto currencies or foreign currencies.

19. This conduct violates A.R.S. § 44-1991.

## TEMPORARY ORDER

THEREFORE, based on the above allegations, and because the Commission has determined that the public welfare requires immediate action,

IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in effect for 180 days unless sooner vacated, modified, or made permanent by the Commission.

IT IS FURTHER ORDERED that this Order shall be effective immediately.

### REQUESTED RELIEF

1. Order Respondent to permanently cease and desist from violating the Securities Act pursuant to A.R.S. § 44-2032;



2. Order Respondent to take affirmative action to correct the conditions resulting from Respondent's acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. § 44-2032;

3. Order Respondent to pay the state of Arizona administrative penalties of up to \$5,000 for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order any other relief that the Commission deems appropriate.

### VIII.

#### HEARING OPPORTUNITY

Respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If Respondent requests a hearing, the requesting respondent must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received by the Commission within 20 days after service of this Temporary Order and Notice. The requesting respondent must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's website at [www.azcc.gov/divisions/hearings/docket.asp](http://www.azcc.gov/divisions/hearings/docket.asp).

If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered.** After a hearing, the Commission may vacate, modify, or make permanent this Temporary Order, with written findings of fact and conclusions of law. A permanent Order may include ordering restitution, assessing administrative penalties, or other action.

If a request for hearing is not timely made, the Division will request that the Commission make permanent this Temporary Order, with written findings of fact and conclusions of law, which may include ordering restitution, assessing administrative penalties, or other relief.

1 Persons with a disability may request a reasonable accommodation such as a sign language  
2 interpreter, as well as request this document in an alternative format, by contacting Kacie Cannon,  
3 ADA Coordinator, (602) 542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov). Requests should be made as early  
4 as possible to allow time to arrange the accommodation.

5 **IX.**

6 **ANSWER REQUIREMENT**

7 Pursuant to A.A.C. R14-4-305, if Respondent requests a hearing, Respondent must deliver  
8 or mail an answer to this Temporary Order and Notice to Docket Control, Arizona Corporation  
9 Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date  
10 of service of this Temporary Order and Notice. Filing instructions may be obtained from Docket  
11 Control by calling (602) 542-3477 or on the Commission's website at  
12 [www.azcc.gov/divisions/hearings/docket.asp](http://www.azcc.gov/divisions/hearings/docket.asp).

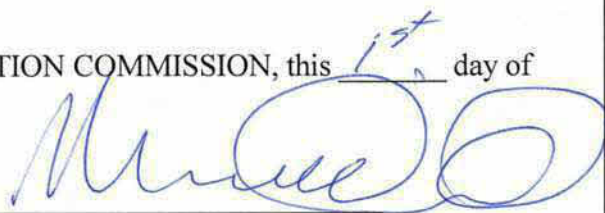
13 Additionally, the answering Respondent must serve the Answer upon the Division. Pursuant  
14 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a  
15 copy of the answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007,  
16 addressed to Ryan Millecam.

17 The answer shall contain an admission or denial of each allegation in this Temporary Order  
18 and Notice and the original signature of the answering respondent or the respondent's attorney. A  
19 statement of a lack of sufficient knowledge or information shall be considered a denial of an  
20 allegation. An allegation not denied shall be considered admitted.

21 When Respondent intends in good faith to deny only a part or a qualification of an allegation,  
22 Respondent shall specify that part or qualification of the allegation and shall admit the remainder.  
23 Respondent waives any affirmative defense not raised in the answer.

24 The officer presiding over the hearing may grant relief from the requirement to file an answer  
25 for good cause shown.  
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1 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 1<sup>st</sup> day of  
2 November 2019.

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4 Mark Dinell  
5 Director of Securities  
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